

Panel Session:

consumers perspective

Ana-Marie Lockyer, ANZ Bank

Margaret Owens, Retirement Village Association

Kathy Peri, UoA, Counties Manukau DHB

Martin Connolly, Freemasons' Professor of
Geriatric Medicine, University of Auckland

Consumer perspective: What barriers are there to securing a retirement income?

Ana-Marie Lockyer

General Manager, Wealth Products and Marketing, ANZ

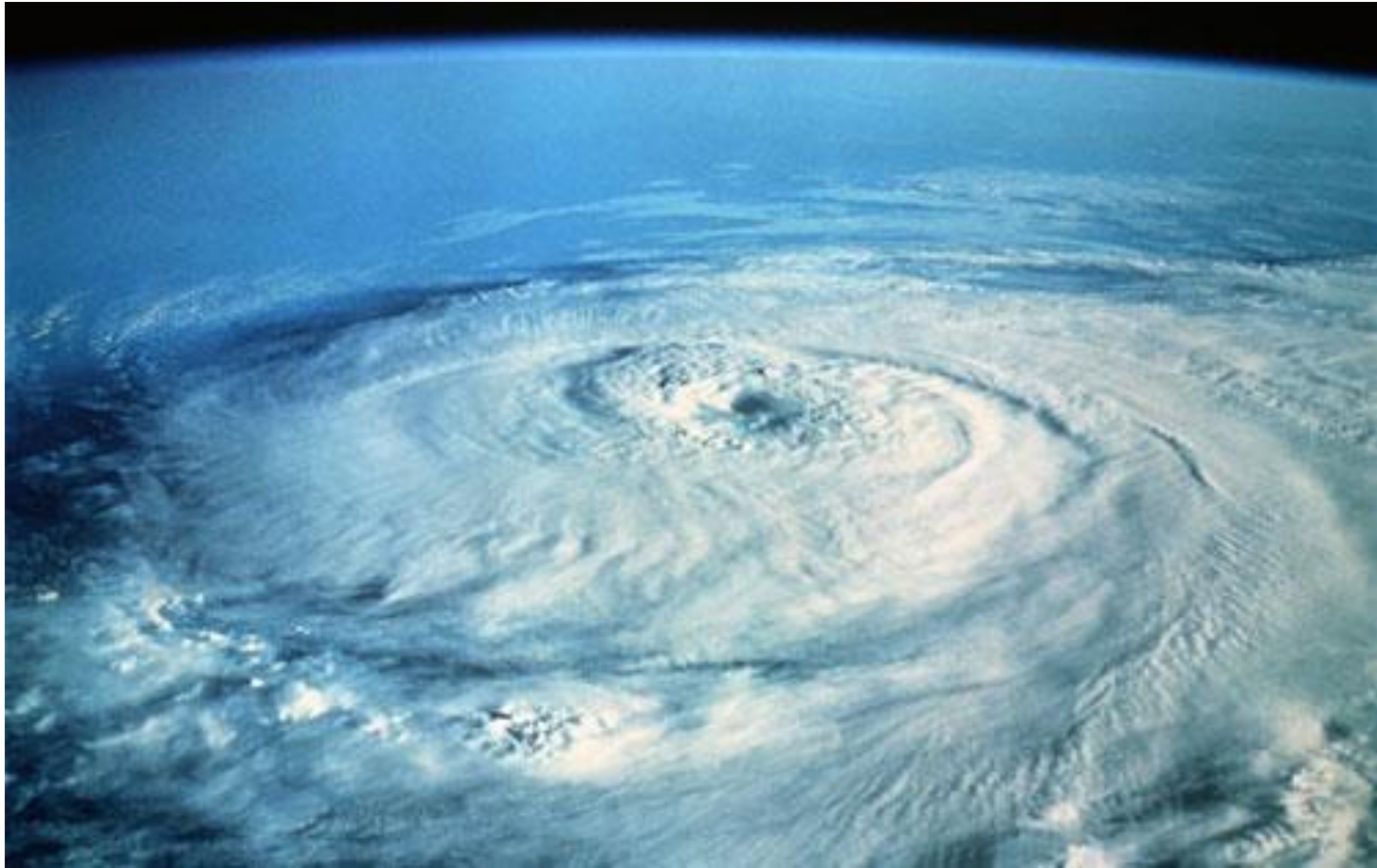
RPRC Decumulation Forum

“Decumulating retirement savings: making the options work”

21 November 2014



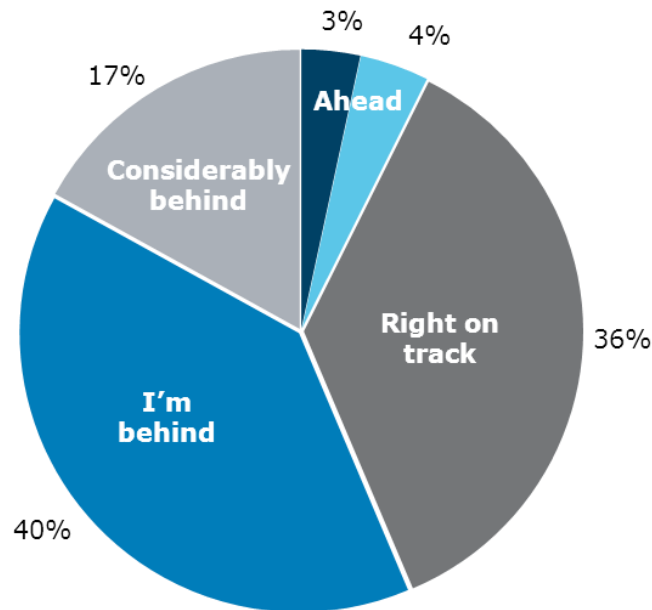
The perfect storm



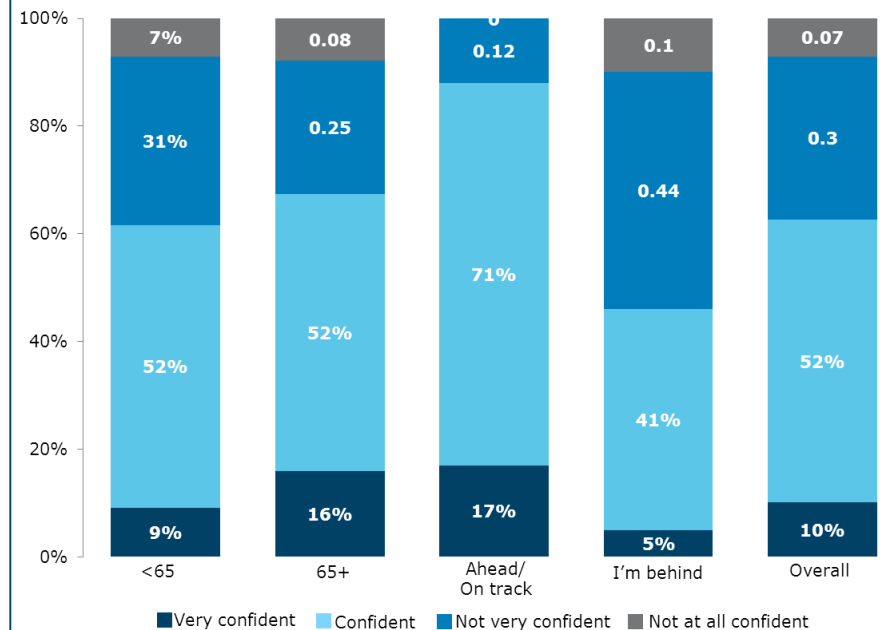
Most people aged 45 to 65 are confident they know what is required for a secure retirement but are not on track with their savings

- Almost **4 out of 5** customers **aged 45 to 65** are currently saving for their retirement
- Despite having reached retirement age, **1 in 5** customers **over 65** still continue to save
- **Most are confident** they know what is required for a secure retirement
- Of those currently saving for their retirement, **over half feel they are behind** in their savings
- **Over a quarter** of respondents **don't have a budget**, and one in ten struggle to make ends meet

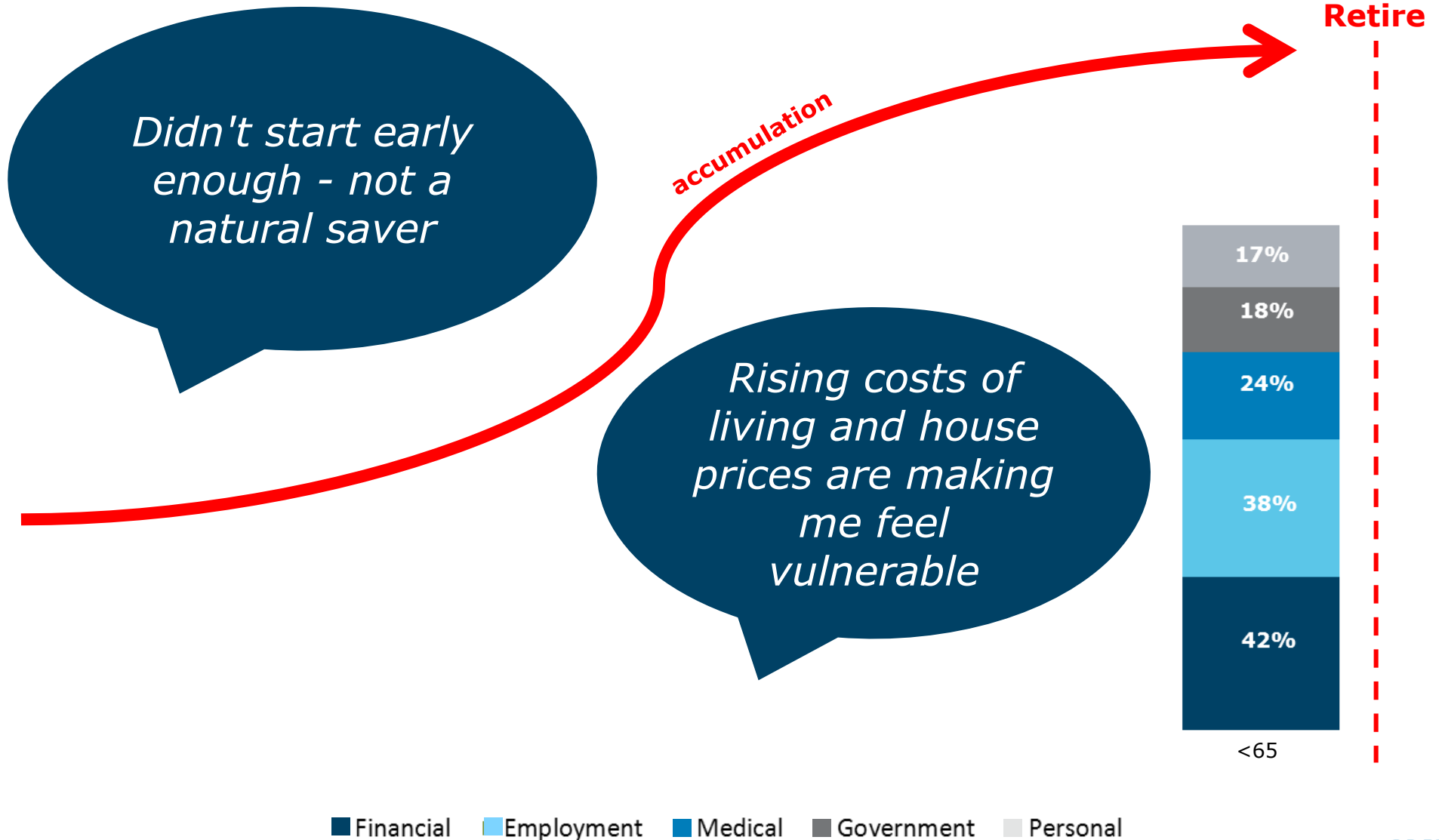
How would you assess your current situation regarding your retirement savings?



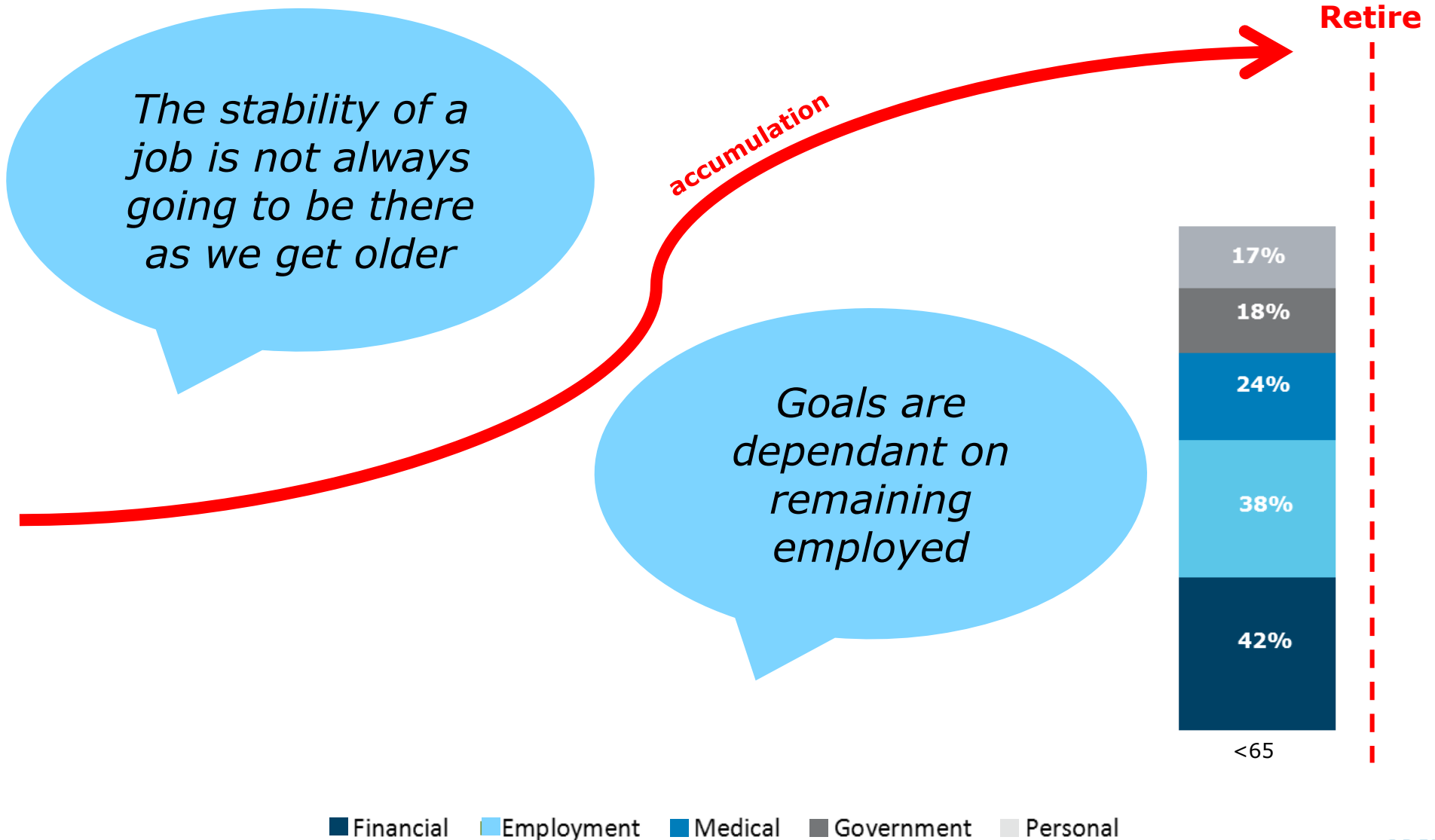
How confident are you about what is required for a secure retirement?



People heading towards retirement age are mainly worried about their financial circumstances and keeping their employment



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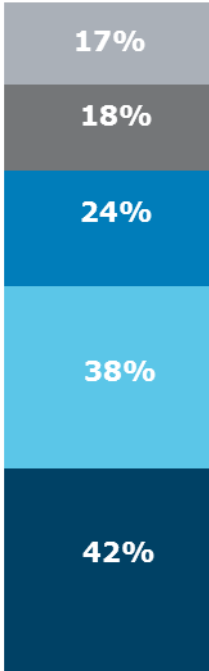
People heading towards retirement age are mainly worried about their financial circumstances and keeping their employment

Possible medical issues in the future and the cost of having to pay for them ourselves

Not being able to work due to health

accumulation

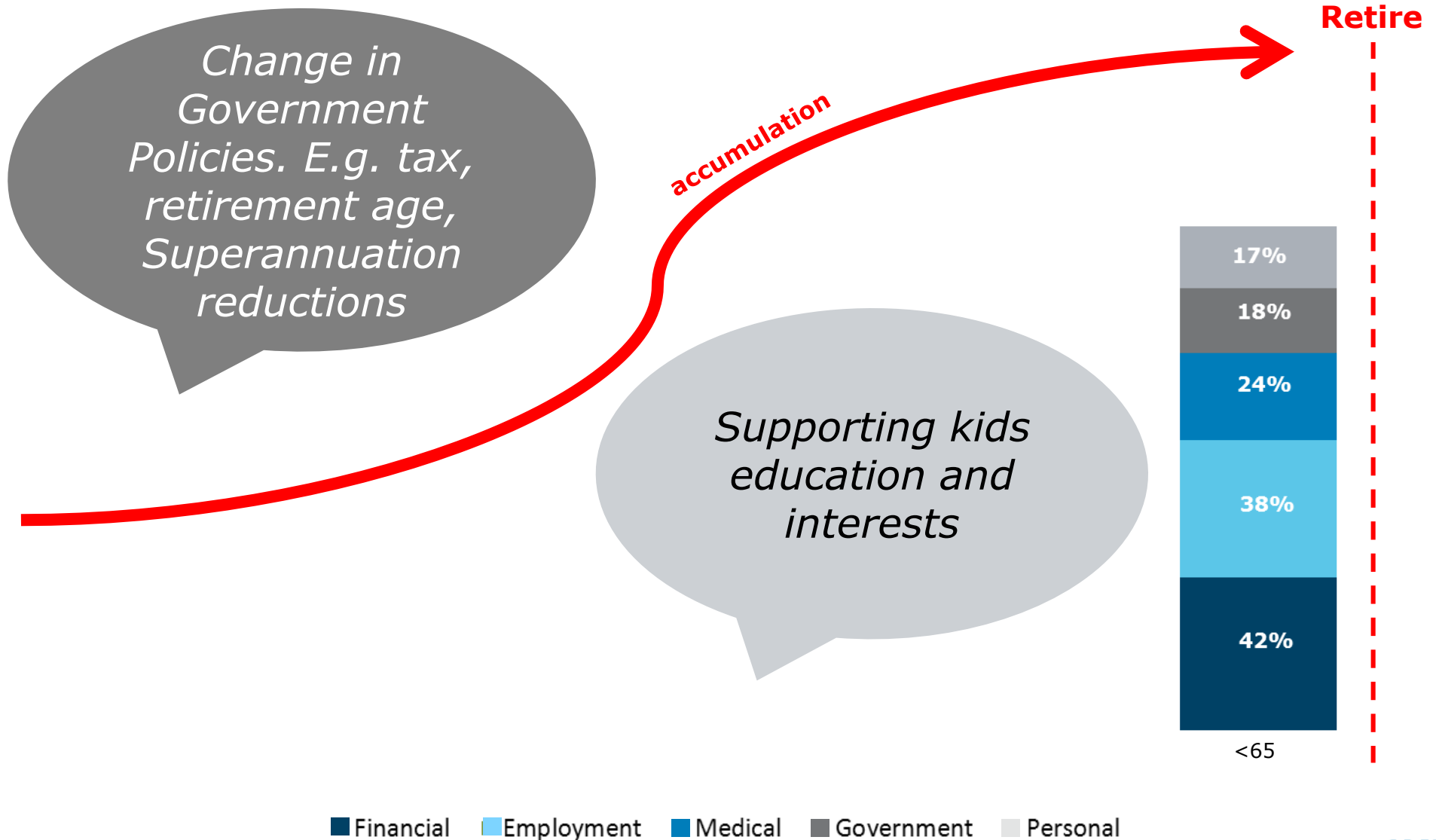
Retire



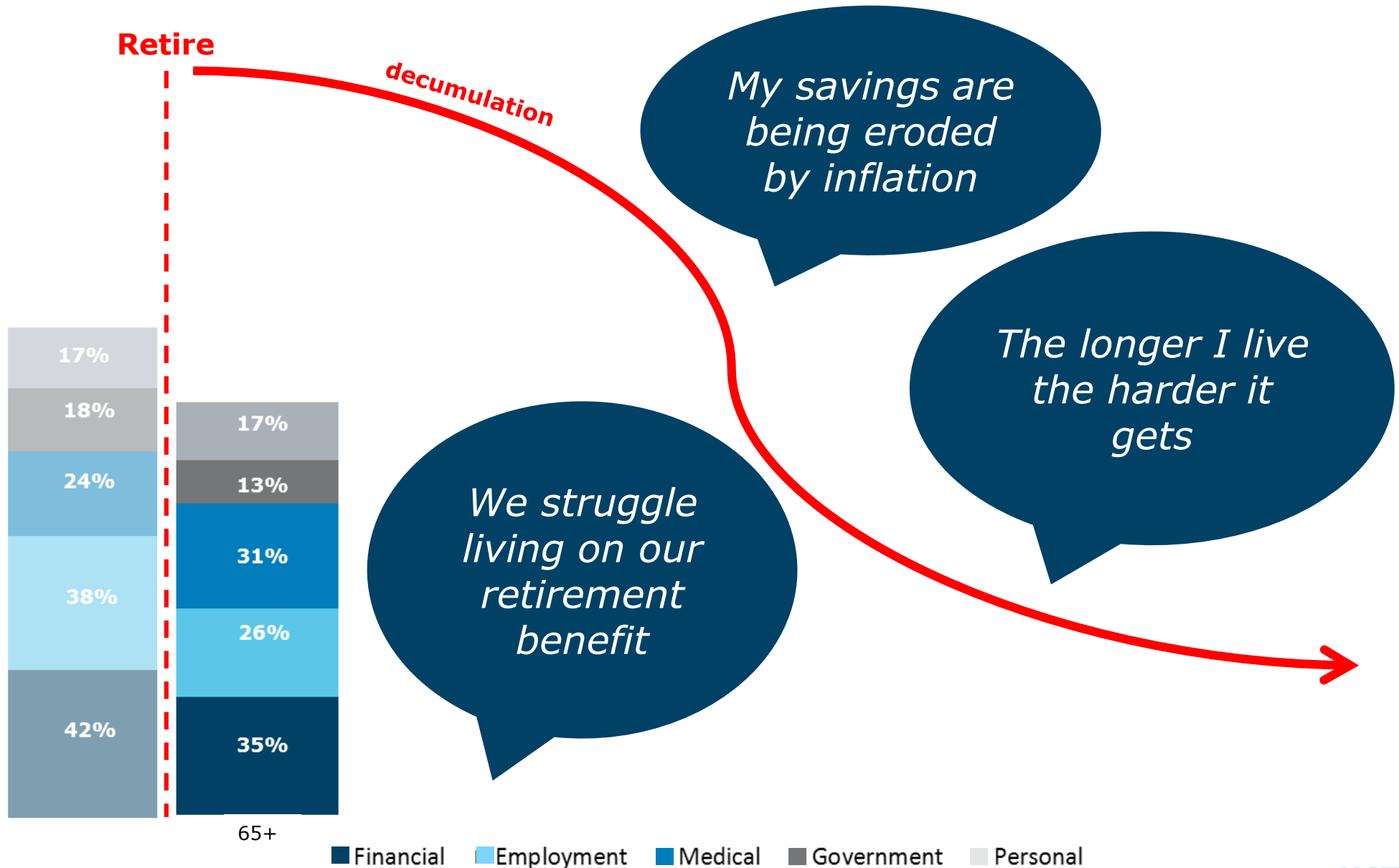
<65

■ Financial ■ Employment ■ Medical ■ Government ■ Personal

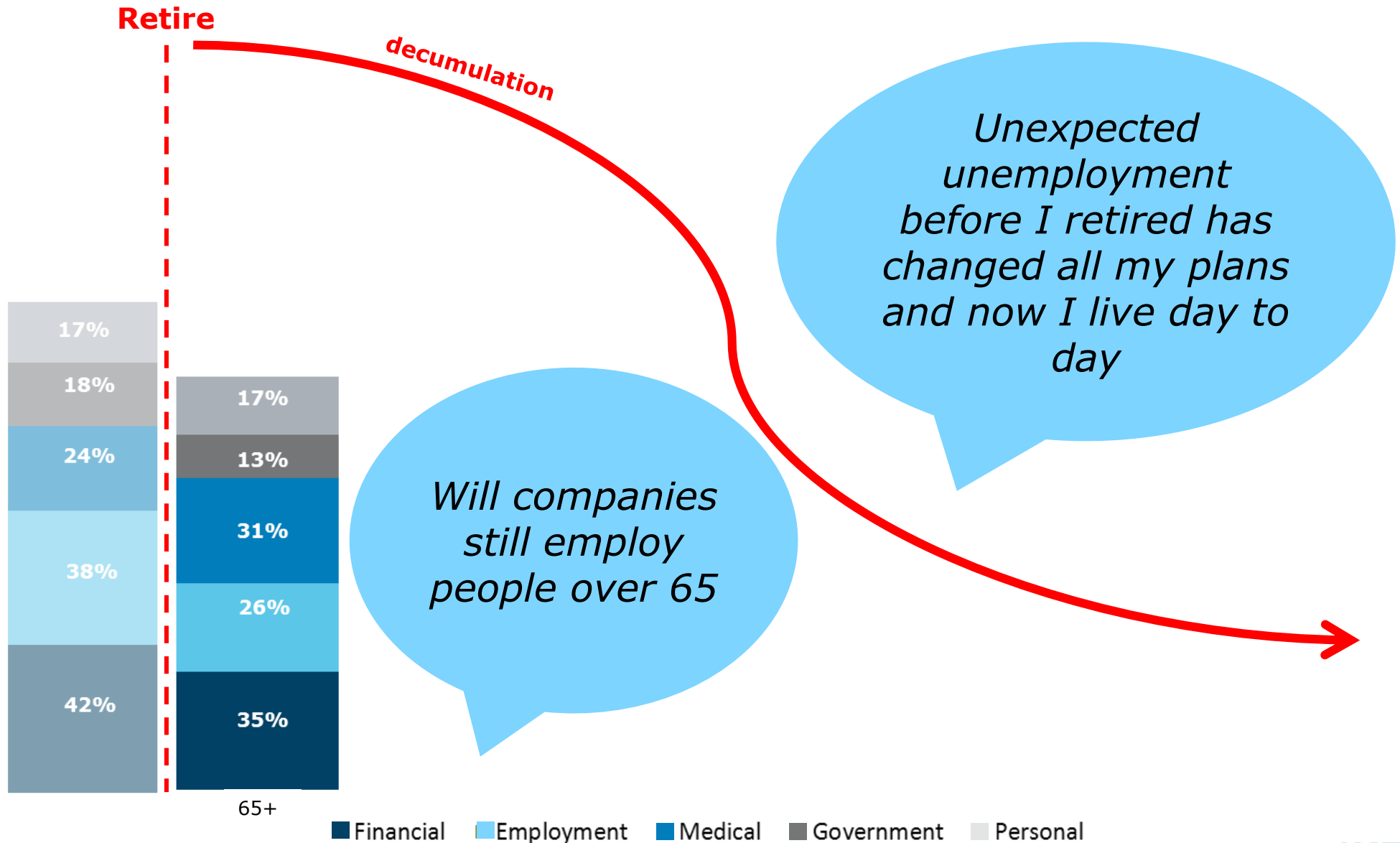
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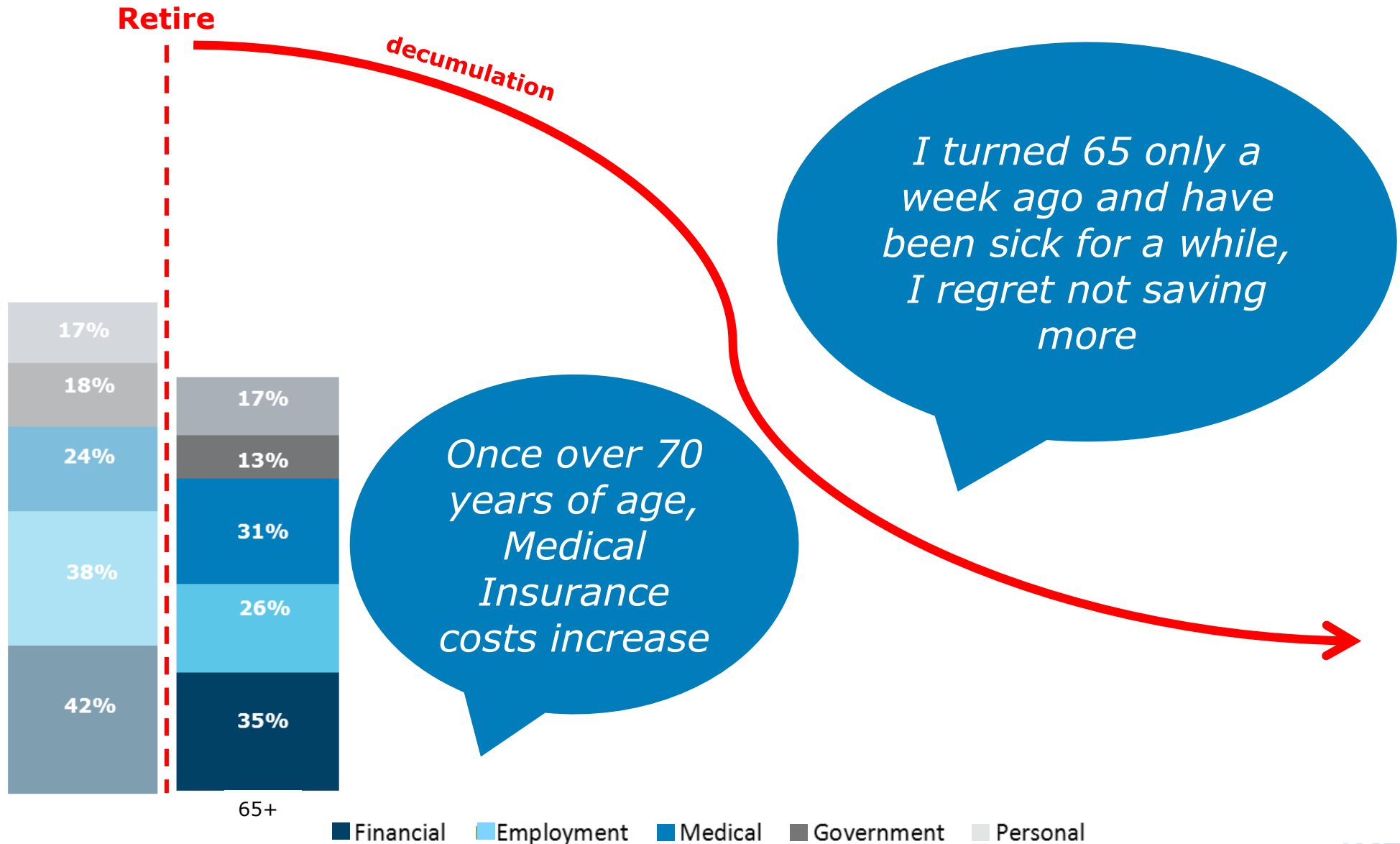
Those aged 65+ have less varying concerns but health issues and aged care are more prevalent



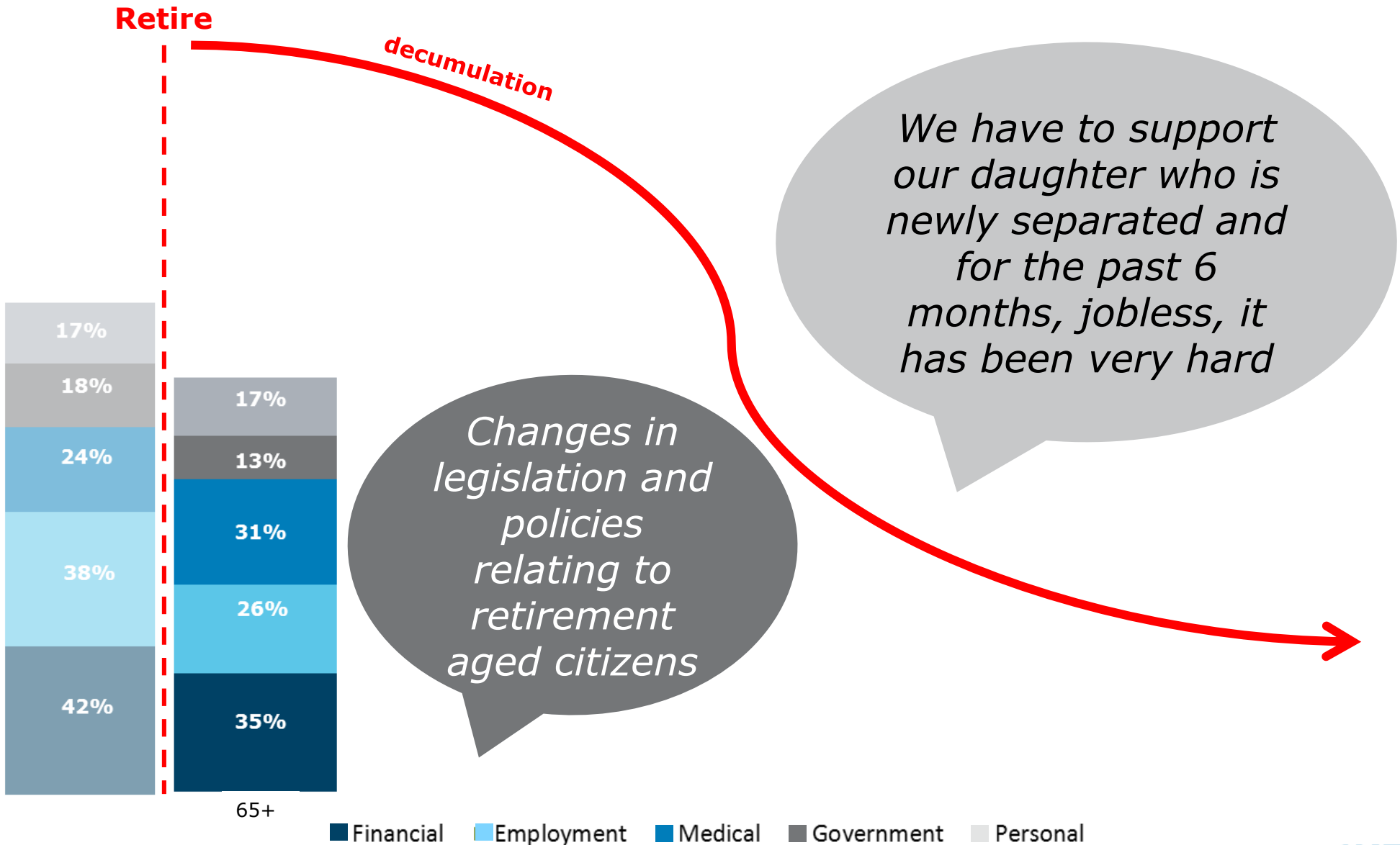
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Life after KiwiSaver ... How do retirees feel about investing their savings?

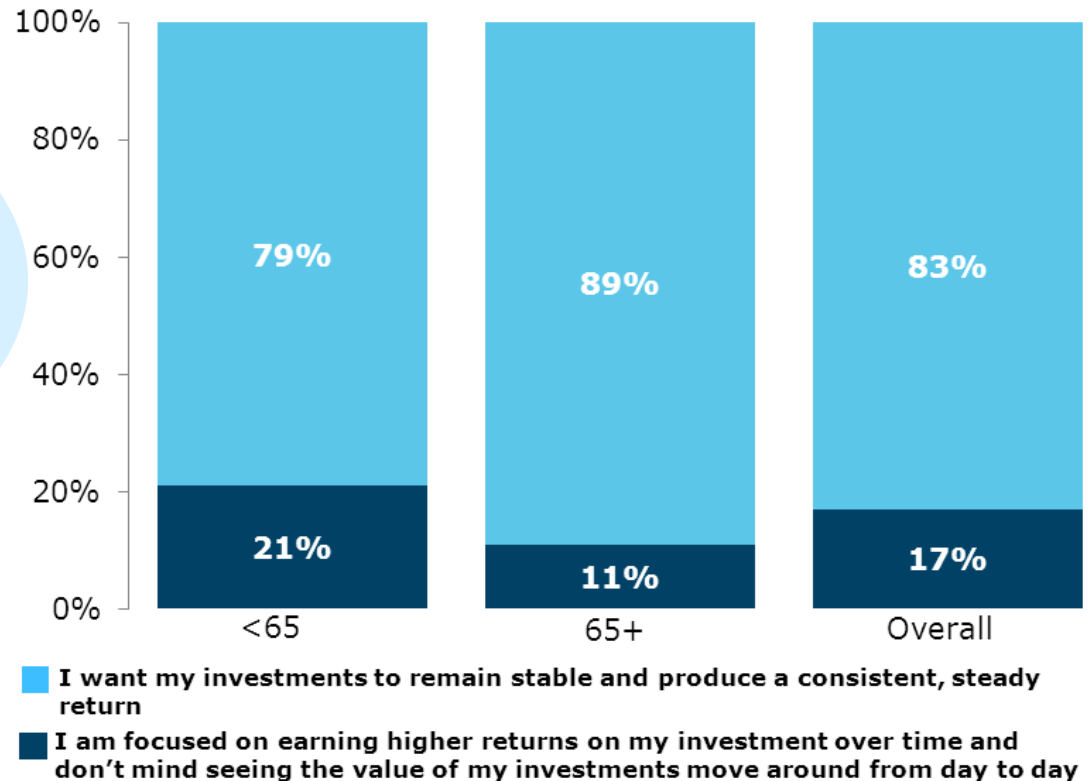
- Consumers tend to prefer a conservative approach towards investments and want **capital stability** with **consistent returns**

I will move investments from shares into bonds, interest-bearing deposits in time

Feel savings safer in interest bearing Bank accounts where they can be accessed if needed

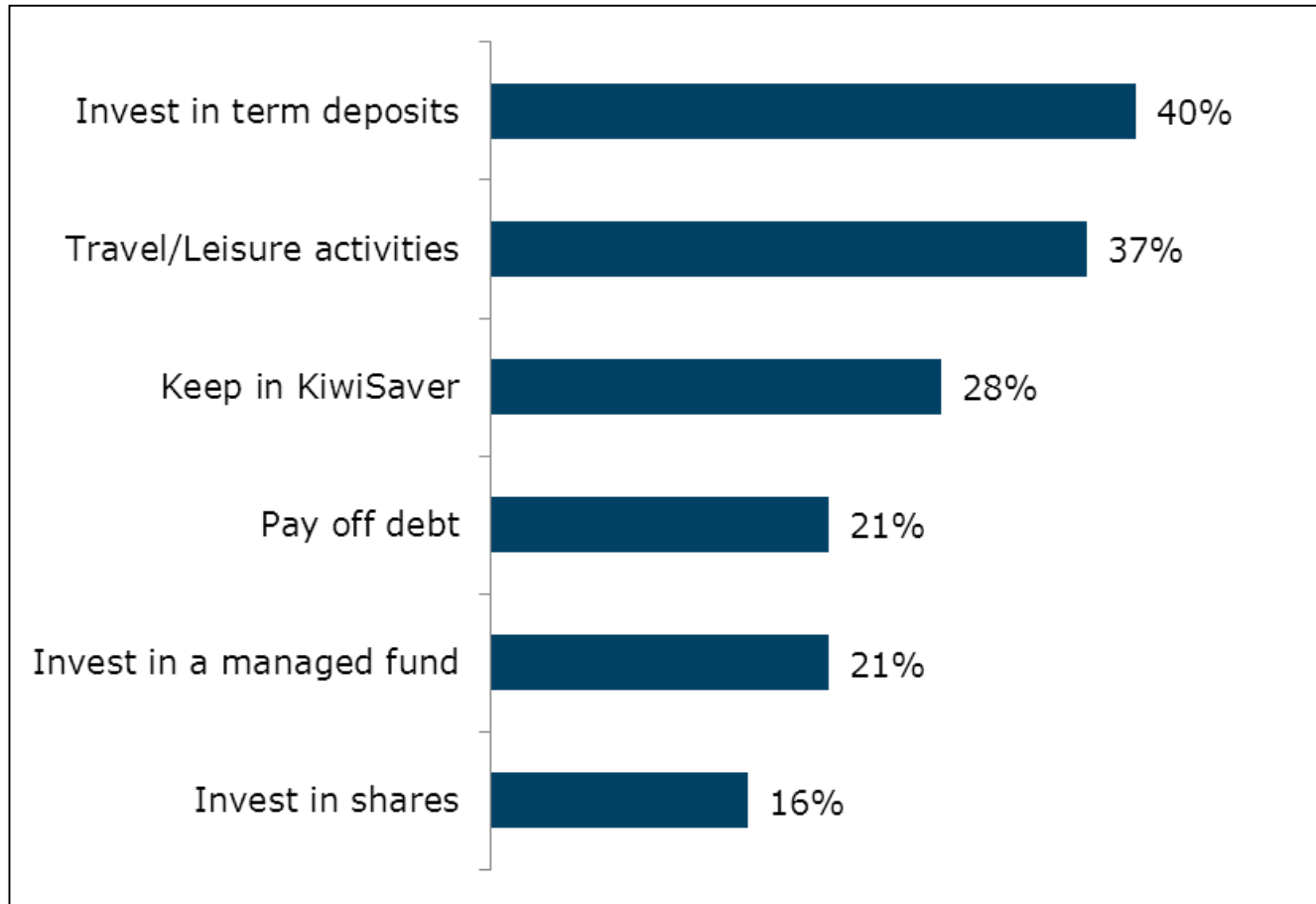
We do not have investments other than Bank Deposits, and our property which we are selling to re-purchase a smaller one

Which of the following best describes your attitude towards investments?



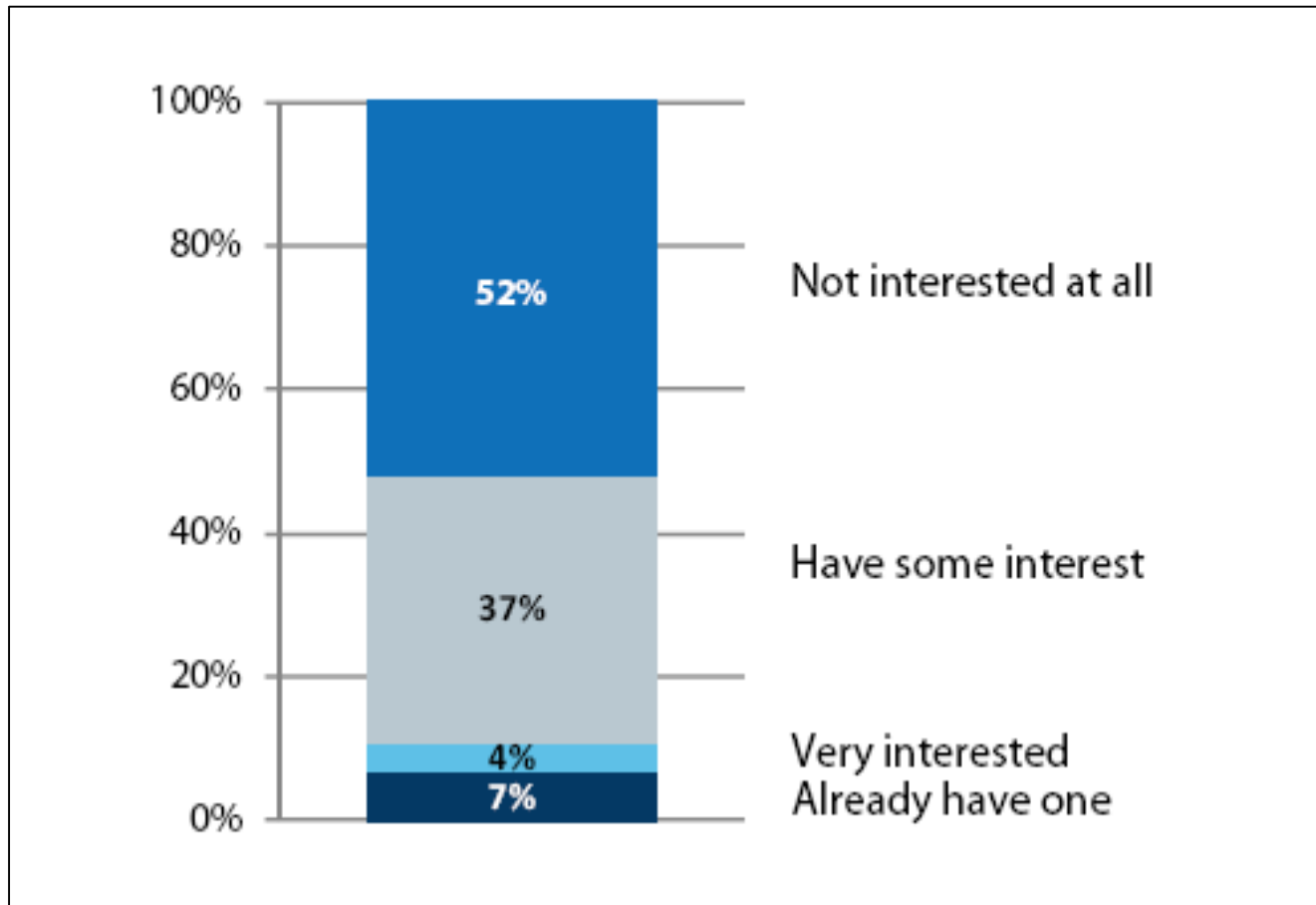
Life after KiwiSaver ... How will retirees use their retirement savings?

What do you intend to use your retirement funds on?

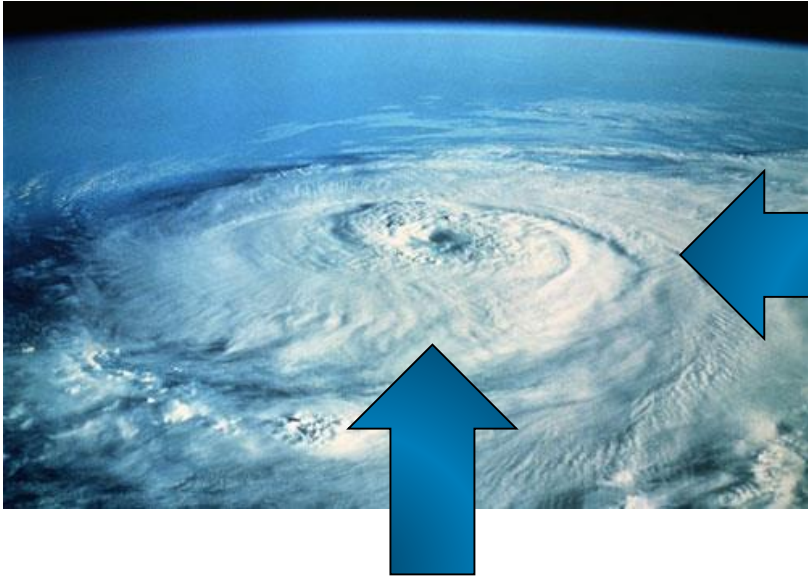


Life after KiwiSaver ... consumers do not appear to understand or like traditional annuity products

At what level does an annuity product interest you?



We have created a perfect storm



Challenges from the customers' perspective

- Lack of **retirement savings**
- Low level of **financial literacy**
- Fragile **trust** in the financial industry
- New Zealanders tend to underestimate their **longevity**

Challenges from the providers' perspective

- **Structural concerns** around providing annuity type products
- A shifting **legislative framework**
- **Changing dynamics** in the industry
- **Providing advice** when people need it most
- **Global experience** with decumulation solutions

What is success for Superannuation?

"Success for the superannuation industry is well funded members happy that they can rely on this industry for a comfortable retirement"

Rosemary Vilgan, Q Super

